

Spectr  m



*Neuqua Valley High School*

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## **Company Overview**

Spectrum is a company focused on delivering the best party experiences on any occasion, whether that be birthdays, graduation, or casual nights out. The preset packages entail services such as catering as well as entertainment outlets to ensure an enjoyable social gathering, or even potentially in a business setting. This organization is tailored to fit an individual's ideal party, and it is Spectrum's purpose to eliminate the problem of indecisiveness and alleviate the stress of having to meticulously plan for a certain event.

Spectrum's website, [nvspectrum.com](http://nvspectrum.com), gives easy access to the multitude of choices a customer could potentially pick. Located in 2360 95th St, Naperville, IL 60564, Spectrum also manufactures useful technical gadgets including that of a wireless charge. People who find themselves experiencing a party that Spectrum has thrown will have a chance to have fun and relax while their phone recharges simultaneously.

A company that values the betterment of human gatherings, we also strive to make life easier for our customers. Spectrum works to alleviate the stress that comes along with planning for parties so that customers can have a fun time throughout the whole process.

## **Mission Statement**

Our mission is to create a perfect party experience for all events across the spectrum. We aspire to work effectively to ensure your occasion is as genuine and stress-free as possible.

# Letter to the Stockholders

To Our Stockholders,

Spectrum ended 2019 with numbers much lower than our original projections as most companies do in their first year of business, however, we predict in the future our growth will be widespread and consistent. We plan on expansion in later years, but first it's necessary for us to build our core business segments into a strong foundation upon which we can prosper.

Favorable economic conditions and improved labor markets has and will continue to ensure that we're hiring the best employees available year round. Our overall revenues in 2018-19 was 2,386,757.53. US revenue slightly increased in the 2018 fiscal year rising over 8 percent, meanwhile international revenues grew up to 19 percent and the US's Gross Domestic Product(GDP), also rose at a rate of 2.9 percent in 2018, which is quite an increase from 2017 where it was 2.2 percent.

In terms of the local economy, a similar economic strength is displayed. Cook County and Will County demonstrate unemployment rates of 3.7% and 3.4%, respectively. Furthermore, families in Will County had an average median income of \$85,488. On the other hand, individuals in Cook County had an average median income of \$65,039. Although Spectrum's target market involves individuals with a median income of \$110,000, this is mainly the income of upper middle class and lower upper class individuals. As of 2018, it was reported that 52% of American adults were in the middle class and 19% were in the upper class. In 2016, the median income for middle class individuals was \$78,442, whereas for upper class individuals, it was \$187,872. Spectrum highlights individuals in the upper 10% of the middle class and lower 5% of the upper class.

Currently, the current economic state of Naperville and United States is perfect for brand expansion. Unemployment low, inflation is high, and the overall market is on the up and up meaning consumers will definitely be encouraged to spend/invest outward ensuring our growth and future success.

Our team has worked tirelessly to build Spectrums brand to be known and loved by many. From every one on our executive team we are very proud of the job they have been doing in guiding our company to success, The dedication of these teams to serve our consumers is unmatched and is truly the key to our success.

It is our understanding that Spectrum failed to exceed expectations in the first year, but this is only the start. Our plan for growth is expansive incorporating ideas relating to social media, ads, billboards, etc. We know that Spectrum is on it's way to becoming the fortune 500 company it was meant to be. We're excited to build the future with you while expanding Spectrum into the company we've all imagined.

Finally, we want to thank our board of directors for their support, guidance, and strategic advice during the year. We'd especially like to thank board director Mr. John Hanson as Spectrum would be nothing without his consistent efforts. We would also like to express our gratitude to you, our stockholders, for your continued support of Spectrum and we hope to continue to build Spectrum with you in the future.

Respectfully submitted,



Zachariah C. Smith  
Chief Executive Officer

# Key People in Spectrum

**Chief Executive Officer:** Zach Smith

**Chief Administrative Officer:** Charitha Bondalapati

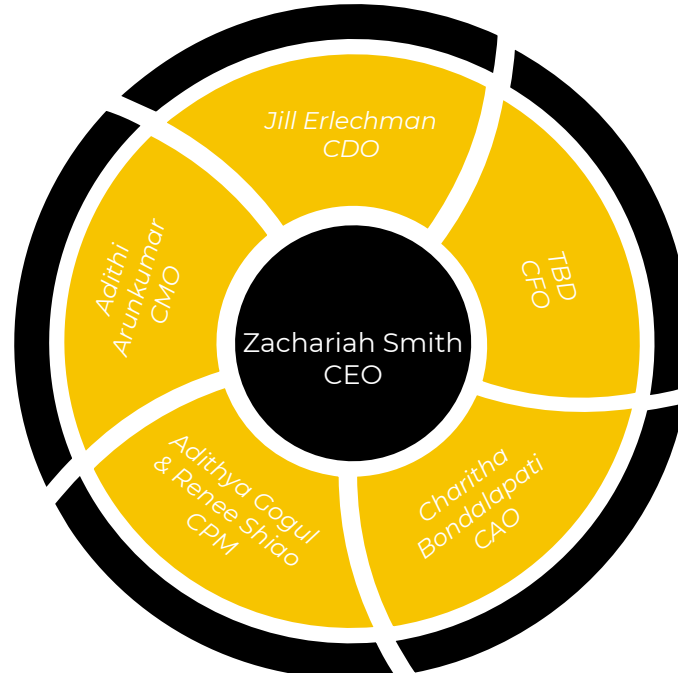
**Chief Marketing Officer:** Tanner Schrey

**Chief Financial Officer:** Adithi Arunkumar

**Chief Design Officer:** Jill Erlechman

**Chief Project Managers:** Stephanie Bellis, Adithya Gogul, and Renee Shiao

**Contributors:** Mr. Hanson and Mrs. Iantria



## Company Culture

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Spectrum's workforce is made up of people who care. People who care about small issues that often go overlooked, people who care about giving everyone everywhere a chance to celebrate, and people who care about making an impact on the world in any and all facets, with our CBM program. We are determined to provide all consumers with an enjoyable party experience, while also doing the same for those in need. We are eager to not only expand our spectrum of products, but we're also excited to grow our company as a whole while giving people a reason to celebrate every step of the way. Every employee at Spectrum is focused on working together and having a fun, but successful work environment.

# What We Sell

Spectrum is a company focused on delivering the best party experiences for any occasion, whether that be birthdays, graduation, or casual nights out. The preset packages entail services such as catering as well as entertainment outlets to ensure an enjoyable social gathering, or even potentially in a business setting. This organization is tailored to fit an individual's ideal party, and it is Spectrum's purpose to eliminate the problem of indecisiveness and alleviate the stress of having to meticulously plan for a certain event.

Spectrum's website, [nvspectrum.com](http://nvspectrum.com), gives easy access to the multitude of party choices a customer could potentially select. Spectrum also manufactures useful technical gadgets including a wireless charging station. People who find themselves experiencing a party that Spectrum has thrown will have a chance to have fun and relax while their phone recharges simultaneously.

# Why Spectrum?

It's estimated that 1.83 million events and meetings are organized every year in the US, producing around \$66.8 billion in labor income. Over 1.78 million Americans hold direct event management and industry planning jobs. On average 96% of people admitted that planning a party is stressful, with almost half of those people using the words "very" or "extremely" to describe it. Also, it's estimated that people spend 8-10 weeks planning a simple birthday party. The party planning/organizing industry is estimated to produce \$115 billion in GDP contributions whereas the motion picture/recording industry only produces \$113 billion. The stress and dangers of party planning go overlooked. Often times, coming up with creative ideas that are budget friendly can be extremely hard to do. Especially, if time limitations play a role in planning. Researchers uncovered a 41% increase in motor vehicle collisions on super bowl sunday due to crowded roadways filled with people trying to acquire last minute items or food during the game.

Spectrum is a Limited Liability Company designed to help consumers combat all of these obstacles by giving consumers a safer and easier way to plan and execute a party or get together. Spectrum's headquarters is located in Naperville, Illinois. Here products are bought, grouped, and distributed to consumers based on their order specification. Our exquisite variety of goods and services guarantee that when buying from Spectrum, consumers will find the exact style of party they're looking for, delivered within the exact timeframe they need it.

Spectrum's intent is to give citizens all around the nation a chance to host a party without having to worry or stress over problems that may arise. Even on short notice, we promise to deliver high quality products and services. Currently, we offer 4 different party packages. Each package has two tiers. Base level packages include basic party decorations and items tailored to the specific theme, while the VIP package offers exclusive content that will most definitely satisfy customers wants. Being that parties and celebrations will never cease to exist, Spectrum's concept is ingenious and timeless.

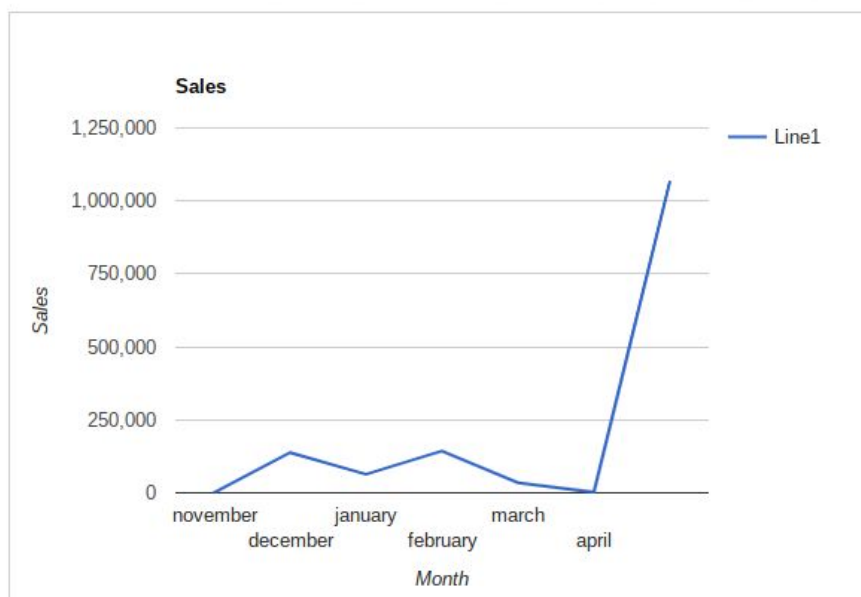
Spectrum was founded on November 1st, 2018. Spectrum inherited assets and the identity of its predecessor. In total, Spectrum received \$1,028,737.16 in funding to finance its operations. Therefore, we had no need to pursue any loans or partnerships to get the company off the ground. However, looking forward, Spectrum would not be opposed to partnering with other companies or enterprises at some point in the future. We feel that there is money to be made in partnerships and we look forward to building these relationships throughout the duration of our fiscal year.

Spectrum is all about community outreach. We're looking into possibly starting our own non for profit organization while also donating party supplies to local homeless shelters. We will also develop a program called Children's Birthday Miracles ("CBM"). CBM is an organization that provides a birthday every May and September to youth and children diagnosed with cancer. We look to make an impact by creating and donating pop up party packages for these children in need.



# How We Did

Overall, all of the employees at Spectrum had a great learning experience from the 2018-19 fiscal period. We overcame many challenges and worked together as a company to come to conclusions for important decisions. Although our expectations weren't completely met, we were successful in designing and promoting new packages. We made a profit of \$159,296.48.



# Income Statement

	October	November	December	January	February	March	April	May	Totals
<b>Sales</b>									
Online Sales	0	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9	8039.9	56279.3
Trade Show Sales	0	100000	8039.9	8039.9	100000	100000	8039.9	8039.9	332159.6
Sales Contract	0	112328.1	112328.1	112328.1	112328.1	112328.1	112328.1	112328.1	786296.7
									1174735.6
<b>Total Income</b>	0	220368	128407.9	128407.9	220368	220368	128407.9	128407.9	6
<b>Cost of Goods Sold</b>	0	6402.36	6402.36	6402.36	6402.36	6402.36	6402.36	6402.36	64023.6
		434333.6	250413.4	250413.4	434333.6	434333.6	250413.4	250413.4	2304654.6
<b>Gross Profit</b>	0	4	4	4	4	4	4	4	68
<b>Expenses</b>									
<b>Fixed Expenses</b>									
Insurance Expense	500	500	500	500	500	500	500	500	4000
Interest Expense	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rent Expense	3000	3000	3000	3000	3000	3000	3000	3000	24000
Utilities Expense	400	400	400	400	400	400	400	400	3200
<b>Gross Fixed Expenses</b>	3900	3900	3900	3900	3900	3900	3900	3900	42900
<b>Variable Expenses</b>									
Salaries Expense	148652	148652	148652	148652	148652	148652	148652	148652	1189216
Social Security Tax Expense	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42	9216.42	73731.36
Medicare Tax Expense	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45	2155.45	17243.6
State Unemployment Tax Expense	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94	6167.94	49343.52
Federal Unemployment Tax Expense	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12	8919.12	71352.96
State Sales Tax Expense	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64	10405.64	83245.12
<b>Gross Variable Expenses</b>	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57	185516.57	2040682.27
	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	2083582.27
<b>Total Expenses</b>	7	7	7	7	7	7	7	7	27
	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	189416.57	2083582.27
<b>Net Income</b>	-189416.57	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-67411.03	-661293.78

# Balance Sheet

ASSETS					%
Current Assets:					
Cash			1,422,364.12		
Petty Cash			400.00		
Accounts Receivable	0.00				
Less Allowance for Uncollectible Accounts	0.00	0.00			
Merchandise Inventory			199,166.70		
Supplies			0.00		
Prepaid Insurance			1,700.00		
<b>Total Current Assets</b>				1,623,630.82	99.8%
Plant Assets:					
Office Equipment	7,969.00				
Less Accumulated Depreciation- Office Equip.	4,500.00	3,469.00			
Store Equipment	0.00				
Less Accumulated Depreciation- Store Equip.	0.00	0.00			
<b>Total Plant Assets</b>				3,469.00	0.2%
<b>Total Assets</b>				1,627,099.82	100.0%
LIABILITIES					
Current Liabilities:					
Advertising Expense			1,500.00		
Insurance Expense			1,700.00		
Accounts Payable			N/A		
Rent Expense			3,000.00		
Salary Expense			148,652.00		
Sales Tax Payable			12,000.00		
Unemployment Tax Payable - Federal			8,027.21		
Unemployment Tax Payable - State			1,040.56		
Utilities Expense			400.00		
<b>Total Liabilities</b>				164,319.77	10.1%
OWNER'S EQUITY					
Current Owner's Equity:					
Owner's Capital			1,462,780.05		
Less Owner's Drawing			0.00		
<b>Total Owner's Equity</b>				1,462,780.05	89.9%
<b>Total Liabilities and Owner's Equity</b>				1,627,099.82	100%

# Cash Budget

<b>Cash balance at the beginning of the month:</b>	1,025,268.16	882,047.76	799,355.30	685,660.36	529,092.29	399,740.96	257,860.76
<b>Cash Receipts:</b>							
<b>Sales Contract:</b>	21428.57	21,428.57	21,428.57	21,428.57	21,428.57	21,428.57	21,428.57
<b>Sales</b>	843.80	137530.82	63652.88	34431.13	21908.87	2239	1068263.26
<b>Loan Proceeds</b>	0	0	0	0	0	0	0
<b>Shareholders investments</b>	0	0	0	0	0	0	0
<b>Receipts of Accounts Receivable</b>	0	0	0	0	0	0	0
<b>Total Cash Receipts:</b>	22,272.37	158,959.39	85,081.45	55,859.70	43,337.44	23667.57	1,089,691.83
<b>Total Cash Receipts and Cash beginning balance:</b>	1,047,540.53	1,041,007.15	884,436.75	741,520.06	572,429.73	423,408.53	1,347,552.59
<b>Cash Payments</b>							
<b>Sales Tax:</b>	0	0	0	0	0	0	0
<b>Interest</b>	0	0	0	0	0	0	0
<b>Rent:</b>	3000	3000	3000	3000	3000	3000	3000
<b>Utilities:</b>	400	400	400	400	400	400	400
<b>Inventory</b>	1173.00	77332.08	34456.62	48108.00	8369.00	1228.00	73500.00
<b>Miscellaneous</b>	0	0	0	0	0	0	0
<b>Advertising</b>	1500	1500	1500	1500	1500	1500	1500
<b>Insurance</b>	1700	1700	1700	1700	1700	1700	1700
<b>Cost of Merchandise</b>	0	0	0	0	0	0	0
<b>Salaries</b>	148,652.00	148,652.00	148,652.00	148,652.00	148,652.00	148,652.00	148,652.00
<b>Accounting and Legal Fees</b>	0	0	0	0	0	0	0
<b>State Unemployment Tax</b>	1040.56	1040.56	1040.56	1040.56	1040.56	1040.56	1040.56
<b>Federal Unemployment Tax</b>	8027.21	8027.21	8027.21	8027.21	8027.21	8027.21	8027.21
<b>Total Payments</b>	165492.77	241651.85	198776.39	212427.77	172688.77	165547.77	237819.77
<b>Cash at End of Month</b>	882,047.76	799,355.30	685,660.36	529,092.29	399,740.96	257,860.76	1,109,732.82
<b>Net Cash</b>	-143,220.40	-82,692.46	-113,694.94	-156,568.07	-129,351.33	-141,880.20	851,872.06

# Financial Write Up

The fiscal year for Spectrum began on October 1, 2018 and ended on April 30, 2019. Although Spectrum may not have met projected sales, the company will continue to learn and grow to improve in the following year. Every department, in particular Marketing, will aim to improve outreach and promote Spectrum products further. Our income statement illustrated a net profit of \$159,296.48. Although this was \$4885.02 lower than anticipated. Thus, Spectrum made 2.9 % lower than projected. A distinct pattern was found in the income statement. In the months where Spectrum attended a trade show, earnings were significantly higher than in months where the company solely relied on online sales. For example, In the month of November, where Spectrum attended the Tennessee trade show, the company had a net income of \$8207.07. On the other hand, in the month of December, where the company relied entirely on online sales, the net income was strikingly low at -\$22795.41. This demonstrates about a 377% drop in sales. Thus, it is evident that online sales were significantly less lucrative than trade show sales. In the upcoming year, Spectrum will focus its resources and planning towards devising a sales plan that will push online sales.




Another factor that may have contributed towards the imbalance of income was salary expenses. According to an article by Amber Keefer, “businesses that pay out 20 to 30 percent of gross revenue are generally doing OK”. Spectrum pays out about 44% of its gross revenue in salaries. Thus, Spectrum’s high amount of gross revenue that is paid out to employees is a significant contribution to the imbalance of income. In the upcoming year, Spectrum aims to lower employee salaries and instead increase benefits.

According to our cash budget, Spectrum ended with a net cash value of \$1,049,348.95. Although in the middle months of our fiscal year, we had months where we ran at a loss, after the Neuqua Valley trade show, our company returned to a profitable position.

Overall Spectrum will aim to fix the two primary hindrances that caused issues this fiscal year: lack of online sale promotion and excessive salary expenses. In order to improve the company, every department will work towards solving these issues to grow and develop.

# The Future of Spectrum

We started out with four basic packages and a wireless charger that are shown below. In the future, we plan on selling a Chicago Cubs Package, NBA Finals Package, March Madness Package, and Halloween Package. We believe these will get us the most profits and be best sellers.

	 <b>NFL Sunday</b> <ul style="list-style-type: none"><li>● <b>Food:</b> wings, chips and salsa, assorted desserts, etc.</li><li>● <b>Drinks:</b> water, soda, lemonade</li><li>● <b>Decor:</b> Tables, chairs, balloons,</li><li>● <b>Optional upgrades:</b> Projector and 135 inch outdoor screen (VIP)</li></ul>	
 <b>Birthday Bash</b> <ul style="list-style-type: none"><li>● <b>Food:</b> 2 sandwich platters (40 ct), 2 cookie platters (84 ct)</li><li>● <b>Drinks:</b> 2 varieties of soda, lemonade, water</li><li>● <b>Decorations:</b> Balloons, Tables, Chairs, Table Cloths, Wall decorations, dance floor, lights set, stereo and DJ</li></ul>	 <b>Wireless Charger</b> <ul style="list-style-type: none"><li>● Android &amp; Apple Compatible</li><li>● No wire. Bluetooth Port to Bit connection</li></ul>	 <b>Grad Party</b> <ul style="list-style-type: none"><li>● <b>Decorations:</b> Balloons, tent, folding tables/chairs, dance floor, photobooth</li><li>● <b>Food/Drink:</b> Sandwich platters, soda and lemonade, assorted desserts</li><li>● <b>Entertainment:</b> Live DJ performance &amp; slideshow(comes with projector and screen)</li></ul>
	 <b>Saturdays are for the boys</b> <ul style="list-style-type: none"><li>● <b>Food:</b> (hot dogs, burgers, buns, chips, etc.)</li><li>● <b>Drinks:</b> (soda and water)</li><li>● <b>Other add ons:</b><ul style="list-style-type: none"><li>○ Pop up tent</li><li>○ Speaker</li><li>○ Portable Grill</li><li>○ Bags</li><li>○ Folding chairs</li><li>○ SAFTB Flag</li></ul></li></ul>	